

REQUEST FOR COURT DIRECTION

TO: Honorable Denise Cote
U.S. District Judge

OFFENSE: Conspiracy to Commit Securities Fraud, Wire Fraud, and Mail Fraud [18 USC 371], a Class D Felony; Securities Fraud [15 USC 78j (b) and 78 ff and 17 CFR 240.10b-5] a Class C Felony; and Failure to Disclose Interest of Counsel [15 USC 77x and 17 CFR 228.509] a Class D Felony

ORIGINAL SENTENCE: Fifty Seven (57) months prison; Three (3) years Supervised Release

FROM: Margaret A. Carroll
Sr. U.S. Probation Officer

SPECIAL CONDITIONS: 1) Financial Disclosure: No new credit card charges or open any new credit line without approval of Probation; the defendant will notify the U.S. Attorney's Office of this district within 30 days of any change of mailing or residence address that occurs while any portion of the restitution remains unpaid; Restitution in the amount of \$12.8 million to be sent to the Court Registry Investment System payable to the Security and Exchange Commission. Restitution is jointly and severally with the co-conspirator and shall be paid according to the schedule set forth: Restitution payment shall begin while the defendant is in prison. If the defendant is engaged in a non-UNICOR work program, the defendant shall pay \$25 per quarter towards restitution. However, if the defendant participates in the UNICOR program as a grade 1 through 4, he shall pay 50% of his monthly UNICOR earnings. Thirty (30) days after release from prison, the defendant shall pay 20% of his gross monthly income up to \$100,000; 40% of his gross monthly income above \$100,000 and up to \$1,000,000; and 50% of his gross monthly income above \$1,000,000, towards the payment of restitution

AUSA: Seetha Ramachandran

PROUSALIS, Jr., Thomas T.

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RE: Thomas T. Prousalis, Jr.
Dkt #1:S1 03CR01509-001

MED: September 10, 2011

DATE OF SENTENCE: October 8, 2004

DATE: February 1, 2010

AMENDED VIOLATION

Reference is made to the above-noted individual who is scheduled to appear in Court on February 26, 2010, at noon, pertaining to violation specifications #1 and #2 listed below. We are writing to inform the Court of additional violation specifications.

- (1) **ON OR ABOUT NOVEMBER 17, 2009, THE DEFENDANT FAILED TO FOLLOW THE INSTRUCTIONS OF THE PROBATION OFFICER, IN THAT HE FAILED TO MAKE A PROPER RESTITUTION PAYMENT AS DIRECTED, IN VIOLATION OF CONDITION #3, A GRADE C VIOLATION.**
- (2) **SINCE SEPTEMBER 2008, THE DEFENDANT HAS FAILED TO PAY RESTITUTION AT THE COURT ORDERED RATE, IN VIOLATION OF SPECIAL CONDITION, A GRADE C VIOLATION.**

The details of the above two (2) specifications are contained in the violation report previously submitted to Court dated December 16, 2009.

AMENDED VIOLATION SPECIFICATIONS:

- (3) **ON OR ABOUT NOVEMBER 25, 2009, TO ON OR ABOUT NOVEMBER 30, 2009, THE DEFENDANT LEFT THE JUDICIAL DISTRICT WITHOUT THE PERMISSION OF THE COURT OR PROBATION OFFICER, IN THAT HE TRAVELED TO ALBANIA, IN VIOLATION OF CONDITION #1, A GRADE C VIOLATION.**

On November 6, 2009, Elissa Martins, Probation Officer in the Eastern District of Virginia, denied the defendant's request to travel overseas from November 12, 2009 to December 7, 2009, due to the pending violation of supervised release. On November 12, 2009, Your Honor also denied the defendant's application to travel to Albania during the above stated dates. On January 14, 2010, Elissa Martins, U.S. Probation Officer in the Eastern District of Virginia Probation Office, received information from the U.S. Department of Justice in Tirana, Albania, in relation

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to the defendant's unauthorized travel to Albania (see attachment 1). According to Cynthia L. Eldridge, Anti-Corruption Legal Advisor for the U.S. Department of Justice, the defendant entered Albania on November 25, 2009, and left on November 30, 2009. Additional verification is awaited.

- (4) ON OR ABOUT NOVEMBER 24, 2009, THE DEFENDANT FAILED TO ANSWER TRUTHFULLY ALL INQUIRIES BY THE PROBATION OFFICER AND FOLLOW THE INSTRUCTIONS OF THE PROBATION OFFICER, IN THAT HE PROVIDED FALSE INFORMATION ON THE REQUEST TO TRAVEL FORM, IN VIOLATION OF CONDITION #3, A GRADE C VIOLATION.**

On November 24, 2009, the defendant submitted a request for permission to travel to Albania from December 28, 2009, through January 13, 2010. The defendant presented to the supervising probation officer, Elissa Martins, that the trip was for business purposes with his corporate clients. He indicated on the travel request form that he would be staying at the Sheraton Hotel in Tirana, Albania (see attachment 2). On January 11, 2010, the supervising officer, Elissa Martins, called the Sheraton Hotel in Tirana, Albania, and was advised that the defendant was not a registered guest. The supervising officer then sent the defendant an e-mail relating the attempted contact and instructed him to provide the probation office with accurate accommodation information. On January 12, 2010, the defendant responded to the e-mail and stated that he was in fact staying at a different hotel, specifically the Iliria Hotel. On January 12, 2010, the defendant was interviewed by Albanian authorities and he informed that he was not in Albania on business, but rather, that he was visiting his Albanian girlfriend and his friend Dashnor Shena.

- (5) ON OR ABOUT JANUARY 12, 2010, OR WITHIN 72 HOURS THEREAFTER, THE DEFENDANT FAILED TO NOTIFY THE PROBATION OFFICER OF BEING ARRESTED OR QUESTIONED BY A LAW ENFORCEMENT OFFICER, IN THAT HE FAILED TO NOTIFY OF HIS BEING QUESTIONED BY ALBANIAN AUTHORITIES, IN VIOLATION OF CONDITION # 11, A GRADE C VIOLATION.**

On January 12, 2010, the defendant was questioned by Albanian law enforcement in regards to an active criminal investigation. The defendant failed to notify the probation office of the above within 72 hours, as required.

- (6) ON ABOUT JANUARY 15, 2010, THE DEFENDANT FAILED TO PAY RESTITUTION AT THE COURT ORDERED RATE OF 20% GROSS MONTHLY INCOME, IN THAT HE FAILED TO PAY \$770.00 AS DIRECTED, IN VIOLATION OF SPECIAL CONDITION, A GRADE C VIOLATION.**

On December 31, 2009, U.S. Probation Officer Elissa Martins of the Eastern District of Virginia Probation Office, sent a letter to the defendant instructing him to submit a restitution payment of \$770.00 for the month of December 2009, to the Clerk's Office, Southern District of New York,

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by January 15, 2010. The amount ordered was based on a bank account statement submitted by the defendant to the probation office which indicated a deposited amount of \$3,850.00. Twenty percent of the money deposited into his account for December 2009 was \$770.00. According to a payment history dated February 1, 2010, the defendant failed to make the payment of \$770.00 as directed. The last two (2) payments indicated are \$85.35 posted on January 6, 2010, and the arrears payment of \$20,420.25, posted December 23, 2009.

COURT STATUS IN OTHER JURISDICTIONS

None

CHAPTER SEVEN GUIDELINE POLICY CONSIDERATIONS AND/OR STATUTORY REQUIREMENTS:

Chapter Seven of the Sentencing Guidelines sets forth policy statements regarding sentencing considerations in violation of supervised release matters. Case law requires the Court to consider these issues but, since they are policy statements, they are not binding.

According to Section 7B1.4, the possible ranges of imprisonment applicable upon a violation of supervised release are as follows:

Specification	Grade of Violation	Revocation Range (Based upon a Criminal History Category of I)
1 -6	C	Guidelines: Three(3) to Nine (9) months Imprisonment Statutory: Not more than Two (2) years

As the defendant was originally convicted of a Class C Felony, he may be required by statute {18 USC 3583 (e)(3)} to serve a period of incarceration of not more than two (2) years.

Pursuant to {18 USC 3583(h)}, if the term of supervised release is revoked and the term of imprisonment imposed is less the maximum years, supervised release can be reimposed as authorized under the original offense, 18 USC 371, less any term of imprisonment that was imposed upon revocation of supervised release.

RECOMMENDATION

We are requesting that the hearing date of February 26, 2010, at noon, remain in effect to address the amended violation specifications noted above.

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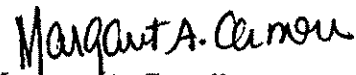
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The defendant has been provided numerous opportunities to show his willingness to abide by the conditions imposed by the Court, and has continued to fail to do so. If the defendant is determined to have violated the conditions of supervision, we respectfully recommend that his period of supervised release be revoked and he be sentenced to nine (9) months incarceration with a three (3) year period of supervised release to follow.

If the Court were to revoke the offender's current term of supervised release and re-impose a term of supervised release, we would respectfully request that the previously imposed Special Conditions remain in effect.

Should the Court grant our request to initiate violation action, this memorandum will be disclosed to the defendant, defense counsel and prosecutor, unless Your Honor directs otherwise.

Respectfully submitted,



Margaret A. Carroll
Senior U.S. Probation Officer

Approved by:



Peter Merrigan Date
Supervising U.S. Probation Officer



**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
PROBATION OFFICE**

**Petition with Attached Request for
Court Action Direction Detailing Probable Cause**

Offender: Prousalis, Thomas Jr.

Docket Number Dkt #1:S1 03CR01509-001 (DLC)

Sentencing Judge: Honorable Denise L. Cote. U.S. District Judge

Date of Original Sentence: October 8, 2004

Original Offense: Conspiracy to Commit Securities Fraud, Wire Fraud, and Mail Fraud; Securities Fraud; and Failure to Disclose Interest of Counsel.

Original Sentence: Fifty Seven (57) months prison; Three (3) years Supervised Release

Type of Supervision: Supervised Release Date Supervision Commenced: September 11, 2008

PETITIONING THE COURT

The offender has not complied with the following condition of supervision:

Violation Circumstances:

- (1) **ON OR ABOUT NOVEMBER 17, 2009, OR ANYTIME THEREAFTER, THE DEFENDANT FAILED TO PAY RESTITUTION AT THE COURT ORDERED RATE OF 20%, IN VIOLATION OF SPECIAL CONDITION, A GRADE C VIOLATION.**
- 2) **SINCE SEPTEMBER 2008, THE DEFENDANT HAS FAILED TO PAY RESTITUTION AT THE COURT ORDERED RATE, IN VIOLATION OF SPECIAL CONDITION, A GRADE C VIOLATION.**
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- (6) ON ABOUT JANUARY 15, 2010, THE DEFENDANT FAILED TO PAY RESTITUTION AT THE COURT ORDERED RATE OF 20% GROSS MONTHLY INCOME, IN THAT HE FAILED TO PAY \$770.00 AS DIRECTED, IN VIOLATION OF SPECIAL CONDITION, A GRADE C VIOLATION.

U.S. Probation Officer Recommendation:

The term of supervision should be:

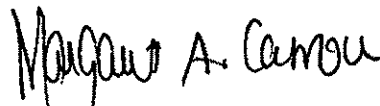
(XXX) Revoked

Extended for year(s), for a total term of years.

I declare under penalty of perjury that the foregoing is true and correct. (Supporting documentation is attached)


Respectfully submitted,

Michael J. Fitzpatrick
Chief U.S. Probation Officer



Margaret A. Carroll
Sr. U.S. Probation Officer
(212) 805-5153

Approved By:

 2/11/10
Peter A. Merrigan Date
Supervising U.S. Probation Officer

Page 1 of 1

Person Section

Name: JAC

Person Report

Name: JAC
 Other Name: JAC
 Father Name: JAC
 Date of Birth: 11/11/1964 Gender: M
 State of Birth: JAC
 Nationality: JAC
 Civil Status: JAC



Person Details

- ☒ General Information
- ☐ Passport and Travel Documents
- ☐ Entry Data

Entry

Document No	Date of Entry	City	Border Crossing
3000000000	20 12 2008 13 16	ALGERIA (ALGERIA) (ALGERIA)	ALGERIA (ALGERIA) (ALGERIA)
3000000000	20 11 2008 13 16	ALGERIA (ALGERIA) (ALGERIA)	ALGERIA (ALGERIA) (ALGERIA)
3000000000	20 09 2008 13 16	ALGERIA (ALGERIA) (ALGERIA)	ALGERIA (ALGERIA) (ALGERIA)
3000000000	21 08 2008 13 16	ALGERIA (ALGERIA) (ALGERIA)	ALGERIA (ALGERIA) (ALGERIA)

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1. Query Results
 2. Query Results
 3. Query Results
 4. Query Results

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Attachment #1

**UNITED STATES PROBATION OFFICE
EASTERN DISTRICT OF VIRGINIA**

TRAVEL REQUEST FORM

U.S. Probation Officer Elissa F. Martins

Name: Thomas T. Prousalis, Jr.

Address: 3314 Arundel Avenue, Alexandria, Virginia 22306

Phone Number: (202) 701-9016

Destination: Tirana, Albania

Departure Date: December 28, 2009 **Return Date:** January 13, 2009

Purpose of Trip: See Addendum attached and made a part hereof.

Persons Traveling With: n/a

Cost of Trip: \$1,106.95

Source of Funds: Prepaid ticket; funds advanced by corporate client.

Accommodations:

Name: Sheraton Tirana Hotel, Rr. Sheshi Italia, Tirana, Albania. Telephone: 0035(0)4.274.707

Mode of Transportation:

Vehicle: Taxis

Make and Model: n/a

Airline:

Name of Airline: United / Austrian Star Alliance

Itinerary: See Itinerary attached and made a part hereof.

Other Mode of Transportation: n/a

Attachment #2

TRAVEL REQUEST FORM

*Addendum*PURPOSE OF TRIP*Overview of NITP, LLC*

NITP, LLC (hereinafter "NITP" and "firm") is an Alexandria, Virginia, based business advisory firm. The managing member of the firm is Thomas T. Prousalis, Jr. As such, NITP provides business advisory services related to corporate planning and development; business planning and development; and mergers and acquisitions, joint ventures and other business combinations. The firm does not engage, directly or indirectly, in the offer and sale of securities, or the practice of federal securities law, the managing member's former profession. The business advisory services provided by the firm are rendered pursuant to business advisory agreements with its corporate clients in connection with certain business endeavors. The firm's expenses are ordinarily advanced or it bills its clients for its expenses. The firm's fees are derived from the success of the business endeavors for which it is retained.

Purpose of Trip

~~On February 1, 2003, NITP was retained by Diamondhead Casino Corporation (hereinafter "DHCC"~~ and "company"), a publicly held company, trading under the symbol "DHCC," pursuant to a business advisory agreement. Information on the company may be found at www.sec.gov. More specifically, NITP has been retained by the company to negotiate an acquisition and/or a merger of the company, and/or an acquisition of its 404.5 acre Gulf of Mexico waterfront property (hereinafter "Property"), valued at \$259 million, pursuant to an independent appraisal. The purpose of the trip is to engage in ongoing meetings and negotiations regarding the acquisition and/or a merger of the company, and/or an acquisition of the Property with certain corporate entities in Tirana on behalf of its corporate client.

~~On February 1, 2003, NITP was retained by Atlantic Pacific Partners, Limited (hereinafter "APPL"~~ and "company"), a privately held company. The company is an Atlanta, Georgia, based investment and business advisory firm, and holds, through a wholly-owned corporation, certain pending patent and trademark applications, as filed before the U.S. Patent and Trademark Office, Washington, D.C. The purpose of the trip is to engage in ongoing meetings and negotiations regarding the acquisition of certain exclusive license rights for the name, likeness and image of a deceased world-renowned, Nobel Peace Prize recipient of Albanian descent and heritage in connection with the corporate client's intellectual property rights.

In addition, NITP has been retained by APPL to research, prepare and render a comprehensive, 250-page business plan and feasibility study in connection with the design, development and sale of a \$224 million hydroelectric plant in Albania. Eastern Europe, generally, and Albania, specifically, are in dire need of power producing plants. APPL has been retained to finance the design, development and sale of the hydroelectric plant through traditional banking and institutional lending sources, such as national banks and the World Bank. The purpose of the trip is to engage in ongoing due diligence, meetings and negotiations regarding the research, preparation and rendering of the business plan and feasibility study on behalf of its corporate client.

Confirmation:		Successful Completion		
IAD - VIE		Monday, December 28, 2009		
Flight Info	Dates	Misc.	Booking Class	Confirm Status
OS94	Departure: IAD Mon Dec 28, 2009 18:10	Non-stop	Economy	Confirmed
	Arrival: VIE Tues Dec 29, 2009 08:55 +1			
VIE - IAD		Wednesday, January 13, 2009		
Flight Info	Dates	Misc.	Booking Class	Confirm Status
OS93	Departure: VIE Wed Jan 13, 2009 10:50	Non-stop	Economy	Confirmed
	Arrival: IAD Wed Jan 13, 2009 15:00			
Flights ordered by Departure Time				
Passengers				
Thomas T. Prousalis, Jr. U.S. Passport No. 303805704				

OS847	Departure: VIE Tues Dec 29, 2009 10:50	Non-stop	Economy	Confirmed
	Arrival: TIA Tues Dec 29, 2009 12:25			
OS850	Departure: TIA Wed Jan 13, 2009 05:00	Non-stop	Economy	Confirmed
	Arrival: VIE Wed Jan 13, 2009 06:35			

United / Austrian
Star Alliance